



The Henley College Corporation

MINUTES of the Meeting of the Finance & Resources Committee held on Tuesday 16 November 2021 at 09.00 via remote participation

<p>Members present: Charles Wiggin Vince Maltese Satwant Deol</p> <p>In attendance: Roxy Iqbal Eamonn Egan Ashok Patel Jacky Gearey</p>	<p>Independent Member/Chair Independent Member Principal</p> <p>HR Advisor Vice Principal Finance Director Clerk</p>	
Agenda Item	Minutes	Action by
	<p>Opening of meeting The meeting was opened at 09.00</p> <p>Apologies for Absence</p> <p>1. James Lingard – work There were no other apologies.</p> <p>Declaration of Interests No interests were declared.</p>	
1.1	<p>Minutes of Previous Meeting: (i) Minutes of the meeting of 14 June 2021</p> <p>Resolved that the Committee agreed that the minutes were an accurate record of the meetings held 14 June 2021</p>	
1.2	<p>Matters Arising from the Minutes (including review of actions) Item 4.9 – ESFA financial health and benchmarking - provide further analysis of the rankings within the sixth from sector – to be advised</p> <p>All actions had been closed off and there were no further actions outstanding.</p>	
1.3	<p>Draft Statutory accounts for 2020-2021</p> <p>The Statutory Accounts is broadly consistent with the management accounts that have been seen by the committee, subject to the final adjustments associated to FRS102 pension adjustment. Subject to those 'exceptional' adjustments, which are not within the College's overall control, the financial operating surplus is better than expected because of the slight increase in ESFA income and cost savings in-year resulting mainly from the Covid-19 position. The accounts have been subject to external audit and the outcome is that the accounts are "unqualified" in terms of audit opinion. It was stressed that the Audit Findings Report was considered by the Audit Committee at their meeting on 8 November 2021 and there are no recommendations. The key highlights are:</p> <ul style="list-style-type: none"> • Current strong 'underlying' operating surplus of £110k (2020 - £478k) was a good and positive result due to in part to staffing costs and curriculum efficiencies, both of which have improved considerably with no loss of quality. The VP said 	

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	<p>that the courses were well articulated, and these had been mapped out to local communities with good planning, administration and marketing and were constantly being monitored. The growth of student numbers had brought other challenges but made it more straightforward regarding the curriculum. The Principal concurred and said that as testament to the work done, the marketing department had been shortlisted for 4 out of 6 national awards.</p> <ul style="list-style-type: none"> • Improved cash/solvency and cash days positions • Improved working capital position • Significant provisions made for pension fund liabilities in year (£401k) – the College has no control over this. The FD felt that it would be useful if someone from the local pensions' authority could brief the board on pension liabilities to provide them with a greater understanding of this area. The Chair thought this would be good suggestion. • Investment in fixed assets (£660k+ buildings & equipment) • Delivered unqualified 'internal' and 'external' audit outcomes, Clean audit report both internally and externally have demonstrated the good operational management of the College. • Delivered small growth in student numbers (47 above target) • Maintained "outstanding" financial health position <p>The FD said that there were no immediate implications or risks associated to these accounts and audit report. This outcome continued to place the College as having an "outstanding" financial health rating as confirmed by the ESFA's own assessment provided in a letter to the College.</p> <p>The Chair said that this was a very strong financial position and wanted to thank the FD for his work, the application funding and the financial control in maintaining this strong financial position.</p> <p>The Chair asked if there were any further comments from the committee before asking about whether consideration would be given to increasing the College's capacity for increased student numbers and if so, what would that number be? FD said that the College was about at the end of its capacity at over 1970 students both for utilising physical buildings and the quality systems in place. If substantial increased growth was sought, the following could be considered i.e. short course income and adult courses. The Principal said that the three year plan was based on 2000 learners and that if it was decided to grow the College further, a debate would need to start at the end of this academic year as this would mean serious capital investment. There followed a discussion on the possible provision of accommodation for students from the elite sports or international students, but the committee felt that the associated risks with this provision might be too great currently.</p> <p>The committee approved the statutory accounts for 2020-21. Finally the FD advised that he was unable to attend the Board meeting 6 December 2021 and asked that the Chair recommend the accounts to be signed.</p> <p>Resolved that:</p> <p style="padding-left: 40px;">(i) Draft Statutory accounts for 2020-2021 was received by the committee and recommended to the Board for approval and sign off.</p>	
1.4	Management Accounts for September 2021	

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	<p>The FD advised that there were no direct recommendations arising from the accounts, the College was currently performing slightly better than expectations and with a positive outturn for the 2020-21 financial year. A deficit budget of £153k had been prepared prior to the start of the financial year based on delivering 1,677 learners however this learner number target was exceeded and so a revised financial plan was prepared to support a learner number position of 1,970. The revised deficit budget was in the region of £438k, which was disclosed and approved at the Corporation board meeting held in October 2021. The College recognised that it would need to 'pump prime' the additional cost of delivering this growth in learner numbers, and that funding will follow in 22/23. Finally the current financial health of the College allowed the College to deal with this short-term funding matter and was a positive position to be in.</p> <p>Resolved that the Management Accounts for September 2021 were received and noted by the committee</p>	
1.5	<p>Student Union Accounts for 2020-2021</p> <p>The student union was restricted during 2020-21 due to the pandemic and the long period of lockdown. Due to the nature of the rolling student programme, the student body has not elected a formal executive committee to take day to day control over the union funding or bank account. This is common to other similar colleges. The finance team of the College supports this element by maintaining the accounting records and bank account on the Student Unions behalf. The Union fund was approximately £7.1k at the start of the financial year and the only income received was from student union membership cards (£139). There was no other expenditure for the year.</p> <p>Resolved that the Student Union Accounts for 2020-2021 were received and noted by the committee</p>	
1.6	<p>Estates & Infrastructure Projects – Update</p> <p>The FD said that infrastructure investment had been substantial, the progress on all fronts had been good, with notable achievements in each area. The FD wanted to express his thanks to the consultants PMC and Jim McCaffney, the HSS and Estates Manager for all their associated work.</p> <p>Since this strategy was approved in March 21, several items associated to this plan had been progressed including:</p> <ul style="list-style-type: none"> • Building R2 – completed on time and close to budget. • The Student Record System replacement (Civica REMs) – fully implemented, operational and generating excellent reporting. A dashboard project will be presented to the Board in the new year showing live data. • The urgent IT equipment identified, especially teaching staff laptops had all been purchased and was operational. • Network security – continuing enhancement/development of security around all College networks. <p>Additionally the unexpected success of the capital bid of £340k for R2 provided more funding for future projects and the College will incorporate this grant into the next phase of the Estates & Infrastructure Strategy. The medium term plan for IT is also being developed and costed, both of these tasks will be ready for approval early in 2022 circa around 100k.</p> <p>The Chair asked if there were any questions, there were none and complimented the College on the work done as this was vital to continued growth.</p>	

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	<p>Resolved that the Estates & Infrastructure Projects Update was received and noted by the committee</p>	
1.7	<p>Annual Report on the use of the College Seal The Clerk confirmed that there had been no use of the College seal for the academic year 2020-21.</p> <p>Resolved that the Annual Report on the use of the College Seal was received and noted by the committee</p>	
1.8	<p>HR Annual Report & Employment Law update In the absence of the Head of HR the report was taken as read.</p> <p>HR Annual Report The following points were of note: Covid – the College continues to follow government guidance as a minimum, and continually monitors whether to re-introduce additional measures such as some usage of face coverings in communal areas. Staff turnover - this was running at 22.8% with the most common reasons for leaving being: the end of a fixed term contract, redundancy and retirement. Recruitment – this was challenging with an increase in new staff to reflect the growth of student numbers.</p> <p>Employment Law update Flexible working - in September the government launched a consultation process, running until 1 December 2021 to allow flexible working requests to be a Day 1 right rather than after 26 weeks, as well as whether the current reasons to refuse an application remain valid. National Living Wage - for over the 23s' wage increased to £9.50 per hour from April 2022, though this will have little, if any effect on the College wage bill. National Insurance contributions - the 1.25% increase will affect salary costs from April 2022 for both employees and employers.</p> <p>Resolved that HR Annual Report & Employment Law update was received and noted by the committee</p>	
1.9	<p>HR Policies Code of Conduct for Staff - No changes were made in 2019 and 2020, changes were detailed for the committee to review. Leave Policy – this brings together various elements of leave which are mentioned in other policies and also provides explanation of how and when to use the Cintra system to book annual leave or other forms of leave – it also provides greater detail than in the previous policy Working from Home Policy & Procedure – this is a new policy. Capability Procedure for Senior Post Holders – this is new procedure which is part of the College's Performance Management Framework and has been designed in keeping with the AoC's model policy.</p> <p>Resolved that the following polices were received and recommended to the Board for approval:</p>	

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	<ul style="list-style-type: none"> (i) Code of Conduct for Staff (ii) Leave Policy (iii) Working from Home Policy & Procedure (iv) Capability Procedure for Senior Post Holders 	
1.10	<p>Committee self-assessment The Chair noted the contents of the summary committee self-assessment and any issues raised would be taken offline if required.</p> <p>Resolved that the committee self-assessment was received and noted by the committee</p>	
1.11	<p>Any Other Business The Chair wanted to thank Ashok Patel as the departing Financial Director for the superb job he had done in dealing with the College finances through some challenging times and his consummate professionalism. The Principal advised that the new FD would be in post January, but that Mr Patel was going to remain a 'friend' of the College. There was no other business</p>	
1.12	<p>Items to be taken forward to next Corporation Meeting for approval:</p> <ul style="list-style-type: none"> (i) Financial Statements for 2020 – 2021 (ii) Annual Report of College Seal (iii) Code of Conduct for Staff (iv) Leave Policy (v) Working from Home Policy & Procedure (vi) Capability Procedure for Senior Post Holders 	
	<p>Date and Time of Next Meeting The next scheduled meeting is 9 March 2022 at 09.00</p>	
	<p>Meeting Closure The meeting closed at 09.45</p>	